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NOTES ON DCI's BRIEFING
NATIONAL SECURITY COUNCIL
12 November 1953

No substantive comment on Indochina.

In re Phillipines, the DCI briefly discussed the Magsaysay victory in the elections

25X1C

The President asked where Romulo stood in this connection and some discussion ensued as to Romulo's likely future intentions -- DCI ^{noted} hopes that while he might come back to the UN with added prestige and Magsaysay's backing, he might prefer to stay in the Phillipines and lead a "loyal opposition."

25X1C

The Secretary of State noted that here was a great opportunity to develop an anti-Communist bloc in Southeast Asia based on Magsaysay and Romulo, with beneficial effects extended to Viet Nam and elsewhere. The President was heartily in favor of this and hoped some way could be found to help him get together a strong, vigorous young cabinet. The DCI expressed hope that the Old Guard Nationalistas would not take him into camp in a few years.

It was noted that Magsaysay intended to come to the U.S. before his Inauguration. The President was enthusiastic about this and said that we could really "throw the book at him" in welcome. The Secretary of State noted that it might not be a good idea for him to come before he was inaugurated -- it would look as though he was coming to thank the U.S. for winning his election and it would be better if he came as President. The President agreed and asked State to keep in touch with the situation and issue an invitation at the appropriate time.

The DCI went on to discuss the Iranian situation with particular reference to the Mossadeq trial -- its theatrics and its bad effect on Iranian politics. He noted that the Tudeh and Mossadeq supporters were in the streets today in violent demonstration for Mossadeq. After some discussion as to how the bad effects of the trial could be minimized, the President indicated that a possible solution would be for the court to find that Mossadeq was too sick to try.

Turning to the oil situation, the DCI noted that Mr. Hoover was rather pessimistic about the chances of an early solution. The Secretary of State then took up the discussion, noting that Mr. Hoover had been a little more optimistic with him and felt that one of the big problems facing negotiators on the problem would be the need to educate Iran that solution of the oil problem would result in no economic miracles -- that Iran would have to fight for markets. There was some discussion of the AIOC insistence upon 51% control in any future company. The Secretary of the Treasury described the planned consortium and noted that Iran would agree to AIOC's holding as much as 40% of the stock provided that AIOC should not thereby have control. Since the British

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government is a majority owner of AIOC, the oil question transcended corporation control problems and became a question of British prestige. The President, at the suggestion of the Secretary of State, plans to tell Churchill at Bermuda that he is being too stubborn on demanding 51%, but he wants to be sure that he is being just and fair in asking Churchill to yield in this matter.

The DCI went on to discuss the death of Ibn Saud and noted that his successor would probably be able to maintain order [REDACTED]

25X6□

25X6□ The President asked about Faisal and was told that he was not a well man [REDACTED]

25X6□

25X6□

On Italy, the DCI noted the concern of the Ambassador in Rome that a Communist government would succeed Pella, and said that the belief of the intelligence agencies was that Italy will face a period of political instability but doubted that a Communist government would come to power. There was some discussion as to who would be a good successor to Pella, the DCI suggesting DeGasperi, and the President expressing a feeling that it would be hard to find a better fellow than Pella. There was some discussion about Pacciardi -- but the DCI noted that he represented a practically defunct party.

Regarding Trieste, the Secretary of State said that today the U.S. and the U.K. would inform Italy and Yugoslavia that they were not going to turn over Zone A to Italy yet, but would carry out a token implementation of the 8 October decision by naming ten or twelve Italian officials to subordinate positions in the Trieste administration. It was expected that Tito would balk, but if the U.K. would stand firm, we can go ahead. The Secretary of State could not see Tito making war over a few Italian officials.

The President noted that Representative Blatnick had told him about the intense Slovene fear of the Italians -- they had suffered considerably under Italian administration before. The Secretary of State said that eventually a swap would probably be arranged, giving some Slovene areas in Zone A to Tito in exchange for some Italian coastal villages south of Trieste in Zone B. The Secretary also stated that after this agreement is reached, there will be no further Italian moves in this area with US-UK backing; it is planned to announced publicly that any territorial move subsequent to the agreement will be regarded as aggression and treated as such.

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